

Management Skills

Chapter 11



Ch 11 -- Sec 1 Management Structures

What you'll learn. . .

- How horizontally organized companies differ from traditionally organized companies
- The three levels of management
- How a self-managing team functions



Management

The process of reaching goals through the use of human resources, technology, and material resources.

Businesses are organized in two ways:



1. Vertical Organization

- Up-and-down structure
- Managers look up to higher levels of management or down to employees.
- Goal is to perform a particular department function well.
- Traditional organization



Levels of Management

- Top Management

- Those who make the planning decisions that affect the whole company
- Examples: CEO, President, Senior VP



Levels of Management

- **Middle Management**

- Their job is to implement the decisions of top management
- They plan ways that departments under them can work to reach top management's goals.
- They communicate with and support supervisory level managers.



Levels of Management

- **Supervisory-Level Management**
 - Front-line managers supervise the activities of employees who carry out the tasks determined by the plans of middle and top management.
 - They assign duties and evaluate the work of production or service employees.



2. Horizontal Organization

- Involves self-managing teams that set their own goals and make their own decisions.
- Organized by process instead of function.
- Customer-oriented
- Most companies mix the two types of management.



Horizontal Organization

- **Self-Managing Teams**

- Employees are organized into teams that manage themselves.
- The team “owner” is nearest to an overall manager. The “owner” acts more like a coach than a boss.
- Empowerment – encouraging team member to contribute to and take responsibility for the management process. It contributes to loyalty.



Horizontal Organization

- **Organization by Process**
 - Self-managing teams are organized around particular process, such as developing new products or providing customer support.
 - Teams are made up of people with different specializations such as marketing research, design, engineering, and finance.



Horizontal Organization

- **Customer Orientation**
 - Source of direction is the customer
 - Managers have direct access to customer feedback.
 - Result is large profits, high productivity, and satisfied investors.

